

**ETHICS COMMISSION  
CITY AND COUNTY OF HONOLULU**



**ADVISORY OPINION NO. 197**

This is in response to a request for a formal advisory opinion from the Ethics Commission [Commission] concerning a possible conflict of interest between a councilmember's employment with a local bank as an assistant branch manager and his participation on the City Council in the decision making process involving business clients of the bank.

The Commission understands the facts to be as follows:

- 1) The councilmember is employed as an assistant branch manager of a local bank;
- 2) The bank has a business relationship with a Hawaii development company which has applied for various City and County permits and applications;
- 3) The councilmember is not personally involved in any of the business transactions between the bank and the Hawaii development company; and
- 4) Prior to each vote by the City Council involving decisions affecting the Hawaii developer the councilmember filed a "Disclosure of Interest Statement" pursuant to Article XI, Revised Charter of Honolulu 1973 (1984 Ed.) [RCH], and Article I, Chapter 6, Revised Ordinances of Honolulu 1978 (1983 Ed.).

The Commission, in its deliberation of this matter, takes notice of the fact that the original Charter Commission in 1956-58 first set out the policy that the Council was a policy making body and not a full-time job involving administration. The Salary Commission in 1985 and 1988 reaffirmed this policy statement when setting the salaries of the City Council. The Salary Commission specifically stated that the City Council is a part-time position and the councilmembers can and are expected to have outside employment. It follows from these statements that the electorate expects the councilmembers to have outside employment. The Commission can find nothing in the legislative history of the State or City and County that prevents a councilmember from being employed by a bank, insurance company, law firm, or other such business that might have clients who do business with the City and County.

The Commission finds that the councilmember's employment with the local bank does not create a conflict of interest with his official duties on the City Council as long he is not personally involved in any business transaction, negotiation, or decision relating to the Hawaii development company as part of his employment with the bank. The Commission further finds that even if a

conflict of interest did exist, Section 11-103, Article IX, RCH, specifically allows for such by mandating all councilmembers to disclose any personal or private interest, direct or indirect, in any proposal before the Council. The Commission finds that the councilmember did disclose this matter in conformance with the law and that this was a matter of public record prior to his voting on these issues pursuant to the above-mentioned Charter provision.

Dated: June 9, 1989

JANE B. FELLMETH  
Chair, Ethics Commission